

Natural Resources Commission

Policy Committee on Finance and Administration

September 11, 2008



**Monthly Spend Plan
Game and Fish License Sales
State Parks Revenue
State Forest Campgrounds**

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Note: The projections contained in this packet are estimates as of a point in time and will change throughout Fiscal Year 2008.

EXPLANATION OF FISCAL YEAR 2008 BUDGET AND SPEND PLAN REPORT

The report summarizes the DNR's appropriations and plans for spending for Fiscal Year 2007-2008 (October 1, 2007 through September 30, 2008). An explanation of the columns of the report follows:

Column A	The amounts appropriated for Fiscal Year 2008 operations.
Column B	All adjustments to the appropriated amounts such as legislative transfers, supplemental appropriations, Executive Orders, or excess budgetary authority where revenues are not expected to meet the appropriated amounts.
Column C	Sums the first two columns and represents the amount available to spend.
Columns D and E	The divisions' initial plans for spending and revisions, respectively. As funds are incorporated into these plans, column E will be adjusted monthly to reflect those changes.
Column F	The divisions' current plans for spending.
Column G	Amounts which have not yet been allocated to a specific plan for spending, or revenues that are being retained for future funding challenges. These amounts may or may not lapse at year-end.
Column H	Year-to-date expenditures that provide a measurement of progress, with respect to the current plans for spending.

DEPARTMENT OF NATURAL RESOURCES
FISCAL YEAR 2008 BUDGET AND SPEND PLAN REPORT
FOR MONTH ENDING: AUGUST
(Thousands of Dollars)

	A Appropriation PA 122 of 2007	B Adjustments ¹	C (A+B) Available to Spend	D Initial Spend Plan	E Revisions to Spend Plan ²	F (D+E) Current Spend Plan	G (C-F) Estimated Remaining ²	H Year to Date Expend. thru July
Budget	1,034.6	(27.9)	1,006.7	955.7	35.9	991.6	15.1	768.0
Building Occupancy (Rent)	3,200.7		3,200.7	3,200.7	(274.9)	2,925.8	274.9	2,436.8
Communications	3,378.2		3,378.2	3,378.2	(92.8)	3,285.4	92.8	2,311.0
Executive	2,607.3		2,607.3	2,628.4	(32.0)	2,596.4	10.9	2,058.2
Financial Services	2,560.9		2,560.9	2,323.4	(64.0)	2,259.4	301.5	1,753.8
Fisheries	29,664.9	(737.5)	28,927.4	28,768.1	208.5	28,976.6	(49.2)	22,289.9
Forest Mineral & Fire Mgmt	38,637.0	(640.6)	37,996.4	36,247.6	1,242.2	37,489.8	506.6	29,116.2
Grants	34,636.9	(6,828.9)	27,808.0	27,178.4	279.6	27,458.0	350.0	12,747.1
Grants Management	1,356.0	(121.7)	1,234.3	1,197.9	(12.9)	1,185.0	49.3	911.1
Human Resources Call Cntr	163.0		163.0	163.0		163.0	0.0	163.0
Human Resources	2,137.7		2,137.7	2,137.7	(35.4)	2,102.3	35.4	1,576.7
Information Tech	8,901.7		8,901.7	8,901.7	(267.2)	8,634.5	267.2	6,082.1
Internal Audit	867.0	(25.0)	842.0	756.7	48.0	804.7	37.3	623.1
Land and Facilities	20,310.6	(1,473.5)	18,837.1	17,350.9	1,039.6	18,390.5	446.6	13,585.5
Law Enforcement	32,042.6	(681.1)	31,361.5	28,629.5	1,790.3	30,419.8	941.7	22,256.2
Parks and Recreation	63,057.5	255.2	63,312.7	60,089.1	25.6	60,114.7	3,198.0	43,041.6
Payments in Lieu of Taxes	14,184.1	25.0	14,209.1	14,176.2	(209.0)	13,967.2	241.9	13,915.4
Wildlife	29,454.7	(270.9)	29,183.8	28,724.5	488.4	29,212.9	(29.1)	18,817.4
Total	288,195.4	(10,526.9)	277,668.5	266,807.7	4,169.9	270,977.6	6,690.9	194,453.1

¹Column B adjustments detailed on page 3.

² Significant column E revisions to spend plan detailed on page 4 and significant column G estimated remaining detailed on page 5.

DEPARTMENT OF NATURAL RESOURCES
NOTES FOR BUDGET ADJUSTMENTS
FOR MONTH ENDING: AUGUST
(Thousands of Dollars)

	<u>Adjustments</u>	
Budget	(27.9)	Unearned: Federal Dept of Interior - Dingell Johnson (\$17.8), Federal Dept of Interior - Pittman Robertson (\$10.1)
Fisheries	(737.5)	Unearned: Federal EPA (\$162.5), Fisheries Settlement (\$105.5), Federal Dept of Ag. (\$9.3), Federal Dept of Interior - Pittman Robertson (\$331.7), Private (\$116.3), Federal Dept of Energy (\$1.0), Federal Dept of Commerce (\$11.2)
Forest Min & Fire Mgmt	(640.6)	Unearned: Federal Dept of Ag. (\$850.4), Federal Dept of Interior (\$2.0), Federal EPA (\$1.0), Forest Recreation Fund (\$200.0), Private (\$698.3), Signshop (\$63.9); Transfer to Grants: Snowmobile Trail Improvement Fund (\$400.0); Transfer to Parks: Private (\$125.0); Transfer from Law Enforcement: Game & Fish Protection Fund \$200.0; Transfer from Grants: Federal Dept of Ag. \$500.0; Supplemental: General Fund \$1,000.0
Grants	(6,828.9)	Unearned: Federal Dept of Interior - Land and Water Conservation Fund (\$1,480.9), Marine Safety Fund (\$480.0), Federal Homeland Security - Coast Guard (\$88.2), Federal Dept of Ag. - Urban Forestry (\$2,950.0), Federal Dept of Ag. - Forest Stewardship (\$175.0), Private (\$70.0), Federal Dept. of Ag. - Timber Sales (\$1,010.1), Federal Clean Vessel Act Grants (\$274.7); Transfer to Parks: Federal Dept of Interior - Land and Water Conservation Fund (\$250.0); Transfer to Forest Min & Fire Mgmt: Federal Dept of Ag. - Urban Forestry (\$500.0); Transfer from Forest Min & Fire Mgmt: Snowmobile Trail Improvement Fund \$400.0; Supplemental: St. Jean boating access site \$50.0
Grants Management	(121.7)	Unearned: Federal Dept of Interior - Land and Water Conservation Fund (\$121.7)
Internal Audit	(25.0)	Transfer for Payments in Lieu of Taxes: General Fund (\$25.0)
Land and Facilities	(1,473.5)	Unearned: Land Exchange Facilitation Fund (\$464.1), Engineering charges (\$504.3), Land transactions charges (\$317.0), MacMullan Center (\$188.1)
Law Enforcement	(681.1)	Unearned: Federal Homeland Security - Coast Guard (\$463.0), Federal Dept of Commerce - Thunder Bay Underwater Preserve (\$18.1); Transfer to Forest Min & Fire Mgmt: Game & Fish Protection Fund (\$200.0)
Parks and Recreation	255.2	Unearned: Federal EPA (\$119.8); Transfer from Forest Min & Fire Mgmt: Private \$125.0; Transfer from Grants: Federal Dept of Interior \$250.0
Payments in Lieu of Taxes	25.0	Transfer from Internal Audit: General Fund \$25.0
Wildlife	(270.9)	Unearned: Sportsmen Against Hunger (\$207.0), Private (\$31.9), Federal Dept of Ag. - Chronic Wasting Disease (\$31.0), Federal EPA (\$1.0)
Total	<u><u>(10,526.9)</u></u>	

DEPARTMENT OF NATURAL RESOURCES
NOTES FOR SIGNIFICANT SPEND PLAN REVISIONS
FOR MONTH ENDING: AUGUST
(Thousands of Dollars)

**Spend Plan
Revisions**

Dept Operation Support	(274.9)	Reflects savings in Private Rent from not renting the new Bay City office and estimated Gifts and Bequests savings
Communications	(92.8)	Primarily updated payroll estimates
Financial Services	(64.0)	Primarily updated payroll estimates
Fisheries	208.5	CSS&M estimates adjusted to reflect increased spending for the Singing Bridge project, National Fish Habitat Plan, and vessel fuel; partially offset by additional payroll savings due to vacant positions
Forest Min & Fire Mgmt	1,242.2	Updated payroll estimates, removed \$150.0 Pere Marquette trestle renovation, added non-career limited term fire officers and recreation state workers, updated travel estimates per the supplemental, updated CSS&M estimates per the supplemental and the transfers for timber marking and wildfire protection, reflected additional snowmobile sign costs and the purchase of survey equipment
Grants	279.6	Spend plan adjusted to reflect higher than expected Federal Homeland Security - Coast Guard allocations and \$400.0 transfer to Snowmobile Local Grants for grooming equipment; partially offset by \$274.4 in unearned Federal Clean Vessel Act Grants authority, an anticipated lapse of \$300.0 in Snowmobile Law Enforcement Grants, and \$50.0 that will not be spent this fiscal year for the St. Jean BAS - work project requested to carry forward authority
Information Tech	(267.2)	Projected savings due to vacancies, unfulfilled contractual services, and review of agency needs/actual project costs
Land and Facilities	1,039.6	Increased land acquisition spending and the addition of approx. \$250.0 to extend the Electronic Data Systems (EDS) contract for the Retail Sales System; partially offset by updated payroll estimates
Law Enforcement	1,790.3	Reflects addition of \$400.0 for the MSU shooting range, \$500.0 for legal contingency, \$150.0 for DNA testing, \$106.0 for the Island Lake sound assessment, \$100.0 for snowmobile purchases, \$121.0 for a boat purchase, and adjustments for Communications spending and year-end equipment purchases; partially offset by updated payroll estimates (including changes in OT and a reduction in new hire estimates) and reduced training unit travel
Payments in Lieu of Taxes	(209.0)	Updated based on bills received
Wildlife	488.4	Updated payroll and CSS&M estimates, increased equipment and vehicle spending

DEPARTMENT OF NATURAL RESOURCES
NOTES FOR SIGNIFICANT ESTIMATED REMAINING BALANCES
FOR MONTH ENDING: AUGUST
(Thousands of Dollars)

	<u>Estimated Remaining</u>	
Dept Operation Support	274.9	Private Rent and estimated Gifts and Bequests savings; transfer of \$127.6 requested to Land and Facilities for facility repairs
Communications	92.8	Vacancy savings
Financial Services	301.5	Vacancy savings
Forest Min & Fire Mgmt	506.6	Primarily Natural Resources Trust Fund, State Parks Endowment, and Snowmobile Trail funds
Grants	350.0	Anticipated lapse in Snowmobile Law Enforcement Grants; work project requested to carry forward \$50.0 of St. Jean BAS authority
Information Tech	267.2	Work project requested to carry forward remaining authority for department-wide projects
Land and Facilities	446.6	Primarily Land Exchange Facilitation Fund; partially offset by deficit in Game and Fish due to the EDS contract extension - transfer has been requested that would eliminate deficit
Law Enforcement	941.7	Reflects \$800.0 from Wildlife Resource Protection Fund that will not be spent to keep the fund solvent; transfer of \$42.1 requested to Land and Facilities for the EDS contract extension; transfer of \$250.0 requested to Fisheries for improvements to the Baraga Operations Service Center
Parks and Recreation	3,198.0	\$2,708.4 will not be spent to keep the Park Improvement Fund solvent through Fiscal Year 2009, anticipated lapse of \$339.6 from Waterways, work project requested to carry forward remaining federal DOI authority for improvements to the Michigan Recreational Boating Information System
Payments in Lieu of Taxes	241.9	Expected savings based on bills received; transfer of \$182.1 requested to Land and Facilities for the EDS contract extension

Game and Fish License Sales Comparison Summary
October through July

	Oct. 2005 - July 2006	Oct. 2006 - July 2007	Oct. 2007 - July 2008	Difference (08-06)	% Change	Difference (08-07)	% Change
Antlerless Deer	291,811	251,405	270,979	(20,832)	-7.14%	19,574	7.79%
Antlerless Deer App	19,013	21,476	43,930	24,917	131.05%	22,454	104.55%
Bear	2,911	3,282	3,158	247	8.49%	(124)	-3.78%
Bear App	55,816	54,756	56,281	465	0.83%	1,525	2.79%
Bobcat	7,070	8,013	7,533	463	6.55%	(480)	-5.99%
Deer	808,798	915,705	787,774	(21,024)	-2.60%	(127,931)	-13.97%
Elk	1	56	149	148	14800.00%	93	166.07%
Elk App	33,897	33,188	41,016	7,119	21.00%	7,828	23.59%
Fish	1,088,053	1,091,155	1,052,860	(35,193)	-3.23%	(38,295)	-3.51%
Fowl	39,345	43,812	37,451	(1,894)	-4.81%	(6,361)	-14.52%
Fur	16,316	20,870	17,130	814	4.99%	(3,740)	-17.92%
Small Game	176,154	200,267	164,937	(11,217)	-6.37%	(35,330)	-17.64%
Misc*	371,321	428,018	379,057	7,736	2.08%	(48,961)	-11.44%
Turkey	134,957	130,825	127,129	(7,828)	-5.80%	(3,696)	-2.83%
Turkey App	<u>101,612</u>	<u>96,447</u>	<u>88,215</u>	<u>(13,397)</u>	<u>-13.18%</u>	<u>(8,232)</u>	<u>-8.54%</u>
Grand Total	3,147,075	3,299,275	3,077,599	(69,476)	-2.21%	(221,676)	-6.72%

*Includes sportcards, Harvest Information Program (HIP) surveys, marten, otter, and fisher kill tags, and the natural heritage patch.

Parks and Recreation Division

Park Improvement Fund Balance Analysis

Updated September 8, 2008

<u>Item</u>	<u>Projection (1/08)</u>	<u>Current Projection (9/08/08)</u>	<u>Difference</u>
<u>FY 2008</u>			
Beginning Fund Balance	\$4,481,900	\$4,481,900	\$0
Projected Revenue	\$39,295,200	\$38,900,000	(\$395,200)
Spending Authority	(\$43,626,100)	(\$43,626,100)	\$0
Planned reductions (Lapses)	<u>\$2,440,633</u>	<u>\$3,082,000</u>	<u>\$641,367</u>
Proj'd 9/30/08 Ending Fund Bal.	\$2,591,633	\$2,837,800	\$246,167
 <u>FY 2009</u>			
Projected Beginning Fund Balance	\$2,591,633	\$2,837,800	\$246,167
Projected Revenue	\$39,276,200	\$38,500,000	(\$776,200)
Spending Authority	(\$44,367,833)	(\$43,424,100)	\$943,733
Spending authority reduction	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$0</u>
Proj'd 9/30/09 Ending Fund Bal.	\$0	\$413,700	\$413,700

Notes:

1. The PI fund balance is projected to last through fiscal year ending September 30, 2009.
2. Reductions for FY 07, FY 08 & FY 09 amount to over \$9.5 million.
- 3. Capital Outlay needs have been documented at over \$18 million annually.**
4. Projected deficit for FY 10 is \$4.0 million.
5. Continued projected deficit for FY 11.
6. Park Endowment projected available fund balance at the end of 2009 is \$6.0 million.

**Parks and Recreation Division
Park Improvement Fund
Revenue, Camping Nights and MVP Comparison
FY 2008 vs. FY 2007**

%s Cumulative Oct. 1, 2007 - Aug. 31, 2008

	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>
<u>Revenue</u>				
FY 2008 vs. FY 2007	0.38%	-3.08%	-2.43%	-0.900%
<u>Camping Nights</u>				
FY 2008 vs. FY 2007	-4.60%	-6.30%	-6.00%	-5.100%
<u>MVP's</u>				
FY 2008 vs. FY 2007	-1.28%	-6.91%	-10.84%	Even

Influencing Factors:

If not for a \$2.00 fee increase in FY 2008 on 50% of the camp sites, the revenue would be \$800,000 lower.

May	Rain, bugs, high gas prices
June	Rain, flooding, cooler than normal temperatures, high gas prices
July	Normal weather, lower gas prices
August	Warmer weather, lower gas prices

Trends:

More events - good participation
During major weekends, camp nights increased, best in three years
Park occupancies increased in parks closer to population centers
Storage program was successful
August 2008 MVP sales revenue was higher than August 2007

As of Sept. 8, 2008

State Forest Campground 2001 - 2008 Use Figures

Year	Registrations	Campers	Camp Days	Camper Days	Revenues
2001	41,365	124,301	89,732	283,055	\$789,300
2002	50,897	258,361	107,160	637,947	\$1,100,000
2003	51,115	161,286	108,738	354,108	\$1,100,000
2004	47,702	152,378	101,917	336,543	\$1,050,000
2005	49,382	159,200	106,290	357,629	\$1,100,000
2006	46,857	149,741	101,904	337,784	\$1,050,000
2007	42,263	138,343	86,841	289,464	\$1,250,000
2008	30,814	101,044	63,965	217,339	\$900,000

Notes:

FY 2002 - Fees increased

FY 2007 - Fees increased/20 campgrounds closed

FY 2008 - Numbers not complete